

## Article - Insurance

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§18–114.

(a) The requirements of this section:

(1) apply to individual and group policies of long-term care insurance; and

(2) do not apply to life insurance policies or riders on life insurance policies that contain accelerated long-term care benefits.

(b) (1) A carrier may not offer a policy or certificate of long-term care insurance unless, at the time of purchase, the carrier also offers the applicant the option to purchase a policy or certificate with an inflation protection feature as described under paragraph (2) of this subsection.

(2) The inflation protection feature under this subsection shall provide, in addition to any other inflation protection, that benefit levels will increase with benefit maximums or reasonable durations that are meaningful to account for reasonably anticipated increases in the costs of long-term care services covered by the policy or certificate.

(c) The option to purchase a policy or certificate of long-term care insurance with an inflation protection feature under this section may not be less favorable than:

(1) a policy or certificate that increases benefit levels annually in a manner so that the increases are compounded annually at a rate of at least 5%;

(2) a policy or certificate that guarantees the insured the right to increase benefit levels periodically without providing evidence of insurability or health status so long as the option for the previous period has not been declined; or

(3) a policy that covers a specific percentage of actual or reasonable charges and does not include a maximum specified indemnity amount or limit.

(d) The amount of the additional benefit under subsection (c)(2) of this section may not be less than the difference between the benefit under an existing policy or certificate and that benefit compounded annually at a rate of at least 5% for the period beginning with the purchase of the existing benefit and extending until the year in which the offer is made.

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